



**Interim Financial Report on  
Unaudited Consolidated Results for the  
Fourth Quarter Ended  
31 December 2017**

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# KUB MALAYSIA BERHAD

(Company No. 6022-D)  
(Incorporated in Malaysia)

## INTERIM FINANCIAL REPORT ON UNAUDITED CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2017

The Board of Directors hereby announce the unaudited financial results of the Group for the financial period ended 31 December 2017.

### CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	CURRENT YEAR QUARTER 31/12/2017 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/12/2016 RM'000	% + / (-)	CURRENT YEAR TO DATE 31/12/2017 RM'000	PRECEDING YEAR CORRESPONDING TO DATE 31/12/2016 RM'000	% + / (-)
<b>CONTINUING OPERATIONS</b>						
Revenue	183,979	131,321	40.1	599,277	495,772	20.9
Operating expenses	(178,896)	(132,204)		(588,195)	(486,696)	
Other operating income	8,935	7,459		20,191	13,328	
<b>Results from operating activities</b>	<b>14,018</b>	<b>6,576</b>	<b>113.2</b>	<b>31,273</b>	<b>22,404</b>	<b>39.6</b>
Finance income	784	938		2,964	3,094	
Finance costs	(756)	(96)		(1,909)	(739)	
Share of profit of associates	2,757	1,754		7,699	7,575	
<b>Profit before tax</b>	<b>16,803</b>	<b>9,172</b>	<b>83.2</b>	<b>40,027</b>	<b>32,334</b>	<b>23.8</b>
Zakat	-	-		(639)	(202)	
Income tax expense	(2,075)	(1,987)		(8,522)	(10,084)	
<b>Profit for the period from continuing operations</b>	<b>14,728</b>	<b>7,185</b>		<b>30,866</b>	<b>22,048</b>	
<b>DISCONTINUED OPERATIONS</b>						
Loss for the period from discontinued operations	-	(42)		-	(506)	
<b>Profit for the period</b>	<b>14,728</b>	<b>7,143</b>	<b>106.2</b>	<b>30,866</b>	<b>21,542</b>	<b>43.3</b>
<b>Other comprehensive income:</b>						
Net (loss) / gain on available-for-sale financial assets	(434)	(606)		1,444	(642)	
<b>Total comprehensive income for the period</b>	<b>14,294</b>	<b>6,537</b>		<b>32,310</b>	<b>20,900</b>	
<b>Profit / (Loss) attributable to :</b>						
Owners of the parent						
- from continuing operations	15,025	7,670		32,185	23,134	
- from discontinued operations	-	(42)		-	(506)	
	15,025	7,628	97.0	32,185	22,628	42.2
Non-controlling interest	(297)	(485)		(1,319)	(1,086)	
	14,728	7,143		30,866	21,542	
<b>Total comprehensive income attributable to :</b>						
Owners of the parent	14,591	7,022		33,629	21,986	
Non-controlling interest	(297)	(485)		(1,319)	(1,086)	
	14,294	6,537		32,310	20,900	
<b>Earnings / (Loss) per share attributable to owners of the parent (sen) :</b>						
Basic and diluted						
- from continuing operations	2.70	1.38		5.78	4.16	
- from discontinued operations	-	(0.01)		-	(0.09)	
	2.70	1.37		5.78	4.07	

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Group's Annual Audited Financial Statements for the financial year ended 31 December 2016.

# KUB MALAYSIA BERHAD

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## INTERIM FINANCIAL REPORT ON UNAUDITED CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2017

### CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	UNAUDITED AS AT END OF CURRENT QUARTER 31/12/2017 RM'000	AUDITED AS AT PRECEDING FINANCIAL YEAR END 31/12/2016 RM'000
<b>Assets</b>		
Property, plant and equipment	173,469	160,325
Plantation development expenditure	51,130	52,543
Investment properties	11,262	15,629
Investment in associates	41,768	34,069
Other investments	5,268	3,824
Intangible assets	2,756	902
Deferred tax assets	2,094	3,224
<b>Total non-current assets</b>	<b>287,747</b>	<b>270,516</b>
Inventories	11,754	8,869
Trade and other receivables	123,855	84,835
Tax recoverable	995	365
Cash and bank balances	118,958	133,865
<b>Total current assets</b>	<b>255,562</b>	<b>227,934</b>
Non-current assets held for sale	4,989	3,534
<b>Total Assets</b>	<b>548,298</b>	<b>501,984</b>
<b>Equity</b>		
Share capital	222,586	222,586
Reserves	55,522	54,078
Retained earnings	46,313	19,693
<b>Total equity attributable to owners of the parent</b>	<b>324,421</b>	<b>296,357</b>
Non-controlling interest	9,055	10,374
<b>Total equity</b>	<b>333,476</b>	<b>306,731</b>
<b>Liabilities</b>		
Borrowings	49,925	51,136
Deferred tax liabilities	12,079	12,346
Deferred income	2,512	2,673
<b>Total non-current liabilities</b>	<b>64,516</b>	<b>66,155</b>
Trade and other payables	143,756	113,396
Borrowings	6,269	11,951
Derivative financial liability	23	7
Deferred income	107	-
Provision for tax	151	3,744
<b>Total current liabilities</b>	<b>150,306</b>	<b>129,098</b>
<b>Total liabilities</b>	<b>214,822</b>	<b>195,253</b>
<b>Total equity and liabilities</b>	<b>548,298</b>	<b>501,984</b>
<b>Net assets per share attributable to owners of the parent (RM)</b>	<b>0.58</b>	<b>0.53</b>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Group's Annual Audited Financial Statements for the financial year ended 31 December 2016.

# KUB MALAYSIA BERHAD

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## INTERIM FINANCIAL REPORT ON UNAUDITED CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2017

### CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Equity attributable to owners of the parent		Non-distributable		Distributable		Attributable to owners of the parent						Non-controlling interests			
							←			←				→		
							Equity, total	of the parent, total	Share capital	Share premium	Retained earnings	Other reserves, total		Capital reserve	Capital redemption reserve	Fair value adjustment reserve
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000					
<b>At 1 January 2017</b>	<b>306,731</b>	<b>296,357</b>	<b>222,586</b>	<b>5,965</b>	<b>19,693</b>	<b>48,113</b>	<b>34,016</b>	<b>312</b>	<b>1,667</b>		<b>971</b>	<b>11,147</b>	<b>10,374</b>			
Profit for the year	30,866	32,185	-	-	32,185	-	-	-	-	-	-	-	(1,319)			
Other comprehensive income to be reclassified to profit or loss in subsequent periods, net of tax	1,444	1,444	-	-	-	1,444	-	-	1,444	-	-	-	-			
<b>Total comprehensive income</b>	<b>32,310</b>	<b>33,629</b>	<b>-</b>	<b>-</b>	<b>32,185</b>	<b>1,444</b>	<b>-</b>	<b>-</b>	<b>1,444</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,319)</b>			
Dividend paid	(5,565)	(5,565)	-	-	(5,565)	-	-	-	-	-	-	-	-			
<b>At 31 December 2017</b>	<b>333,476</b>	<b>324,421</b>	<b>222,586</b>	<b>5,965</b>	<b>46,313</b>	<b>49,557</b>	<b>34,016</b>	<b>312</b>	<b>3,111</b>		<b>971</b>	<b>11,147</b>	<b>9,055</b>			
<b>At 1 January 2016</b>	<b>288,613</b>	<b>277,153</b>	<b>222,586</b>	<b>5,965</b>	<b>2,649</b>	<b>45,953</b>	<b>34,016</b>	<b>312</b>	<b>2,309</b>		<b>(1,831)</b>	<b>11,147</b>	<b>11,460</b>			
Profit for the year	21,542	22,628	-	-	22,628	-	-	-	-	-	-	-	(1,086)			
Other comprehensive income to be reclassified to profit or loss in subsequent periods, net of tax	(642)	(642)	-	-	-	(642)	-	-	(642)	-	-	-	-			
<b>Total comprehensive income / (loss)</b>	<b>20,900</b>	<b>21,986</b>	<b>-</b>	<b>-</b>	<b>22,628</b>	<b>(642)</b>	<b>-</b>	<b>-</b>	<b>(642)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,086)</b>			
Disposal of a subsidiary	-	-	-	-	(2,802)	2,802	-	-	-	-	2,802	-	-			
Dividend paid	(2,782)	(2,782)	-	-	(2,782)	-	-	-	-	-	-	-	-			
<b>At 31 December 2016</b>	<b>306,731</b>	<b>296,357</b>	<b>222,586</b>	<b>5,965</b>	<b>19,693</b>	<b>48,113</b>	<b>34,016</b>	<b>312</b>	<b>1,667</b>		<b>971</b>	<b>11,147</b>	<b>10,374</b>			

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Group's Annual Audited Financial Statements for the financial year ended 31 December 2016.

# KUB MALAYSIA BERHAD

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## INTERIM FINANCIAL REPORT ON UNAUDITED CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2017

### CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	CURRENT YEAR TO DATE 31/12/2017 RM'000	PRECEDING YEAR TO DATE 31/12/2016 RM'000
Profit / (loss) before taxation		
- Continuing Operations	40,027	32,334
- Discontinued Operations	-	(506)
Adjustments for :		
Amortisation of intangible assets	230	159
Amortisation of plantation development expenditure	3,216	2,882
Depreciation of property, plant and equipment	12,159	11,409
Depreciation of investment properties	246	480
Loss on fair value changes of derivative instruments	23	7
Provision for liquidated ascertained damages	-	1,479
Property, plant and equipment written off	229	2,948
Inventories written off	8	6
Receivables written off	305	8
Allowance for impairment on trade receivables	701	376
Impairment losses on property, plant and equipment	639	374
Provision for asset retirement obligation	168	-
Unrealised gain on foreign exchange	(293)	(246)
Gain on disposal of property, plant and equipment	(6,416)	(31)
Gain on disposal of non-current assets held for sale	(5,962)	(1,205)
Loss on disposal of subsidiary	-	4,722
Reversal of allowance for impairment on receivables	(392)	(2,201)
Reversal of impairment on property, plant and equipment	(276)	(989)
Reversal of provision for liquidated ascertained damages	(1,291)	(1,720)
Reversal of provision for foreseeable loss	(3,020)	(28)
Interest income	(2,964)	(3,094)
Finance costs	1,909	1,022
Dividend income	(1,295)	(245)
Share of results of associates	(7,699)	(7,575)
Operating profit before working capital changes	30,252	40,366
Changes in working capital:		
Inventories	(2,885)	3,745
Trade and other payables	32,927	12,248
Trade and other receivables	(19,179)	(17,733)
	41,115	38,626
Tax paid	(9,959)	(11,684)
<b>Net cash generated from operating activities</b>	<b>31,156</b>	<b>26,942</b>
Acquisition of property, plant and equipment	(29,132)	(19,568)
Additions to intangible asset	(2,084)	(243)
Additions to plantation development expenditure	(1,795)	(4,523)
Deposit for acquisition of land	(25,449)	-
Dividends received	1,295	245
Interest received	2,964	3,010
Proceeds from disposal of property, plant and equipment	15,014	31
Proceeds from disposal of non-current assets classified as held for sale	8,193	1,730
Proceeds from disposal of subsidiary	-	18,717
<b>Net cash used in investing activities</b>	<b>(30,994)</b>	<b>(601)</b>
Deposit pledged with licensed banks	130	2,918
Interest paid	(3,087)	(1,022)
Dividend paid	(5,565)	(2,782)
Net drawdown/(repayment) of hire purchase	131	(472)
Net (repayment)/drawdown of term loan	(3,999)	7,795
Net (repayment)/drawdown of short term borrowings	(3,025)	2,493
<b>Net cash (used) / generated from financing activities</b>	<b>(15,415)</b>	<b>8,930</b>

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## INTERIM FINANCIAL REPORT ON UNAUDITED CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2017

### CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)

	CURRENT YEAR YEAR TO DATE 31/12/2017 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/12/2016 RM'000
Net decrease in cash and cash equivalents	(15,253)	35,271
Cash and cash equivalents at beginning of year	109,996	74,725
Cash and cash equivalents at end of year	<u>94,743</u>	<u>109,996</u>

Cash and cash equivalents included in the condensed consolidated statement of cash flows comprise the following :

Cash on hand and at banks	87,021	46,812
Deposits with licensed bank	<u>31,937</u>	<u>87,053</u>
Cash and cash equivalents (as per consolidated statement of financial position)	118,958	133,865
Bank overdrafts	(901)	(425)
Deposits pledged with licensed banks	<u>(23,314)</u>	<u>(23,444)</u>
	<u>94,743</u>	<u>109,996</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Group's Annual Audited Financial Statements for the financial year ended 31 December 2016.

# KUB MALAYSIA BERHAD

(Company No. 6022-D)  
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## INTERIM FINANCIAL REPORT ON UNAUDITED CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2017

### EXPLANATORY NOTES TO THE CONDENSED FINANCIAL STATEMENTS

#### 1. Basis of preparation and accounting policies

The interim financial statements have been prepared in accordance with Financial Reporting Standards ("FRS") 134: Interim Financial Reporting and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, and should be read in conjunction with the Group's audited financial statements for the year ended 31 December 2016.

The accounting policies and methods of computation adopted by the Group for the interim financial statements are consistent with those adopted for the audited financial statements for the year ended 31 December 2016, except for the mandatory adoption of the following new/revised FRSs and amendments to FRSs :

	<b>Effective for annual period beginning on or after</b>
Annual Improvements to FRS Standards 2014-2016 Cycle	1 January 2017
Amendments to FRS 107: Statement of Cash Flows (Disclosure Initiative)	1 January 2017
Amendments to FRS 112 : Income Taxes (Recognition of Deferred Tax Assets for Unrealised Losses)	1 January 2017

The application of the above amendments had no material impact on the disclosures or on the amount recognised in the Group financial results.

The standards and interpretations that are issued but not yet effective under the FRS framework :

FRS 9 Financial Instruments (International Financial Reporting Standard 9 - Financial Instruments as issued by International Accounting Standard Board in July 2014)	1 January 2018
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#### **Malaysian Financial Reporting Standards**

On 19 November 2011, the MASB issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards Framework ("MFRS Framework"), a fully-IFRS compliant framework. Entities other than private entities should apply the MFRS Framework for annual periods beginning on or after 1 January 2012, with the exception of Transitioning Entities.

Transitioning Entities, being entities within the scope of MFRS 141 Agriculture and/or IC Interpretation 15: Agreements for the Construction of Real Estate, including its parents, significant investors and venturers were allowed to defer the adoption of the MFRS Framework until such time as mandated by the MASB.

The Malaysian Accounting Standards Board (MASB) has, on 8 September 2015, confirmed that the effective date of MFRS 15, Revenue from Contracts with Customers will be deferred to annual periods beginning on or after 1 January 2018, following the press release by the International Accounting Standard Board (IASB) confirming a one-year deferral of IFRS 15, Revenue from Contract with Customers.

The Group falls within the scope definition of Transitioning Entities and has availed itself of this transitional arrangement and will continue to apply FRSs in the preparation of its financial statements. Accordingly, the Group will be required to apply MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards in its financial statements for the financial year ending 31 December 2018, being the first set of financial statements prepared in accordance with the new MFRS Framework.

## EXPLANATORY NOTES TO THE CONDENSED FINANCIAL STATEMENTS

### 2. Audit Report of preceding annual financial statements

The auditors have expressed an unqualified opinion on the Group's statutory financial statements for the year ended 31 December 2016.

### 3. Seasonal or cyclical nature of operations

The Group's operations are not materially affected by seasonal or cyclical factors except for the Agro business which is influenced by both CPO prices and FFB crop production which may be affected by weather and cropping patterns. The cyclical swing in FFB crop production is generally at its lowest in the first half of the year, with gradual increase to peak production towards the second half.

The remainder of the Group's operations are not materially affected by any seasonal or cyclical events.

### 4. Items of unusual nature, size or incidence

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current quarter and financial year-to-date.

### 5. Changes in estimates

There were no major changes in estimates that have had a material effect on the financial statements of the current quarter and financial year-to-date.

### 6. Debt and equity securities

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current quarter and financial year-to-date.

### 7. Dividend paid

The first and final single tier dividend of 1.0 sen on 556,464,690 ordinary shares amounting to RM5,564,647 in respect of the financial year ended 31 December 2016 was paid on 30 June 2017.

### 8. Subsequent events

There are no items, transactions or events of a material and unusual nature which have arisen since 31 December 2017 to the date of this announcement which would substantially affect the financial results of the Group for the year ended 31 December 2017 that have not been reflected in the condensed financial statements.

### 9. Changes in the composition of the group

There were no changes in the composition of the Group for the current quarter and financial year-to-date under review.

### 10. Contingent liabilities

There were no contingent liabilities or contingent assets as at 31 December 2017.

### 11. Capital commitments

The capital expenditures that have not been provided for in the interim financial report is as follows :

	As at 31/12/2017 RM'000	As at 31/12/2016 RM'000
Capital expenditure:		
Property, plant and equipment		
Approved and contracted for	82,323	11,718
Approved but not contracted for	47,209	37,369
	<u>129,532</u>	<u>49,087</u>



## EXPLANATORY NOTES TO THE CONDENSED FINANCIAL STATEMENTS

### 12. Segmental reporting

The Group's primary format for reporting segmental information is business segments based on the Group's management and internal reporting structure and organised into Information, Communications and Technology ("ICT"), Energy, Agricultural Business ("Agro"), Food Business ("Food"), Properties and Power. The segment head of each business unit reports directly to the President/Group Managing Director who regularly reviews the segment results in order to allocate resources to the segments and to assess the segment's performance.

Segment information for the current financial year ended 31 December 2017 is as follows:

	<u>Continuing Operations</u>								Total
	ICT	Energy	Agro	Food	Properties	Power	Others	Eliminations	
<b>RM'000</b>									
<b>Revenue</b>									
External sales	31,976	409,399	61,088	62,917	2,628	29,974	1,295	-	599,277
Inter-segment sales	209	-	-	-	-	-	16,676	(16,885)	-
<b>Total revenue</b>	<b>32,185</b>	<b>409,399</b>	<b>61,088</b>	<b>62,917</b>	<b>2,628</b>	<b>29,974</b>	<b>17,971</b>	<b>(16,885)</b>	<b>599,277</b>
<b>Results</b>									
Profit / (loss) from operations	6,824	22,350	10,206	3,565	1,413	5,639	(18,724)	-	31,273
Interest income	350	1,662	474	16	64	29	369	-	2,964
Finance costs	(4)	-	(1,527)	(230)	-	(3)	(145)	-	(1,909)
Share of results of associates	-	-	-	-	-	-	7,699	-	7,699
<b>Profit / (loss) before tax</b>	<b>7,170</b>	<b>24,012</b>	<b>9,153</b>	<b>3,351</b>	<b>1,477</b>	<b>5,665</b>	<b>(10,801)</b>	<b>-</b>	<b>40,027</b>
Zakat	-	(495)	(144)	-	-	-	-	-	(639)
Income tax expense	(578)	(3,890)	(4,512)	683	(138)	-	(87)	-	(8,522)
<b>Profit / (loss) for the year</b>	<b>6,592</b>	<b>19,627</b>	<b>4,497</b>	<b>4,034</b>	<b>1,339</b>	<b>5,665</b>	<b>(10,888)</b>	<b>-</b>	<b>30,866</b>

## EXPLANATORY NOTES TO THE CONDENSED FINANCIAL STATEMENTS

### 12. Segmental reporting (cont'd)

Segmental information for the cumulative quarter corresponding year ended 31 December 2016 is as follows:

	<u>Continuing Operations</u>								<u>Discontinued</u>		
	<u>ICT</u>	<u>Energy</u>	<u>Agro</u>	<u>Food</u>	<u>Properties</u>	<u>Power</u>	<u>Others</u>	<u>Eliminations</u>	<u>Total</u>	<u>Operations*</u>	<u>Total</u>
<i>RM'000</i>											
<b>Revenue</b>											
External sales	70,455	325,209	39,704	46,925	2,638	10,596	245	-	495,772	11,103	506,875
Inter-segment sales	288	-	-	-	-	-	11,800	(12,088)	-	-	-
<b>Total revenue</b>	<b>70,743</b>	<b>325,209</b>	<b>39,704</b>	<b>46,925</b>	<b>2,638</b>	<b>10,596</b>	<b>12,045</b>	<b>(12,088)</b>	<b>495,772</b>	<b>11,103</b>	<b>506,875</b>
<b>Results</b>											
Profit / (loss) from operations	7,111	27,836	5,319	1,707	1,028	2,088	(22,685)	-	22,404	(223)	22,181
Finance income	323	1,580	683	20	19	45	424	-	3,094	-	3,094
Finance costs	(2)	-	(144)	(187)	-	(130)	(276)	-	(739)	(283)	(1,022)
Share of results of associates	-	-	-	-	-	-	7,575	-	7,575	-	7,575
<b>Profit / (loss) before tax</b>	<b>7,432</b>	<b>29,416</b>	<b>5,858</b>	<b>1,540</b>	<b>1,047</b>	<b>2,003</b>	<b>(14,962)</b>	<b>-</b>	<b>32,334</b>	<b>(506)</b>	<b>31,828</b>
Zakat	-	-	(202)	-	-	-	-	-	(202)	-	(202)
Income tax expense	(2,304)	(5,305)	(3,718)	1,399	(145)	-	(11)	-	(10,084)	-	(10,084)
<b>Profit / (loss) for the year</b>	<b>5,128</b>	<b>24,111</b>	<b>1,938</b>	<b>2,939</b>	<b>902</b>	<b>2,003</b>	<b>(14,973)</b>	<b>-</b>	<b>22,048</b>	<b>(506)</b>	<b>21,542</b>

\* Discontinued operations refers to Engineering and Constructions ("EC") segment ie. KUB Precast Sdn Bhd

**EXPLANATORY NOTES TO THE CONDENSED FINANCIAL STATEMENTS**

**12. Segmental reporting (cont'd)**

Segmental assets and liabilities as at 31 December 2017 as compared with the last annual financial statements :

<b>As at 31 December 2017</b>	<b>ICT</b>	<b>Energy</b>	<b>Agro</b>	<b>Food</b>	<b>Properties</b>	<b>Power</b>	<b>Others</b>	<b>Eliminations</b>	<b>Total</b>
<i>RM'000</i>									
<b>Assets</b>									
Segment assets	54,719	129,083	194,529	27,349	13,726	28,529	60,512	(9,000)	499,447
Investment in Associates	-	-	-	-	-	-	41,768	-	41,768
Deferred Tax Assets	-	-	-	2,094	-	-	-	-	2,094
Non-current assets held for sale	-	2,976	-	-	2,013	-	-	-	4,989
<b>Total Assets</b>	<b>54,719</b>	<b>129,083</b>	<b>194,529</b>	<b>29,443</b>	<b>15,739</b>	<b>28,529</b>	<b>102,280</b>	<b>(9,000)</b>	<b>548,298</b>
<b>Liabilities</b>									
Segment Liabilities	8,207	75,455	83,630	15,695	754	25,648	5,433	-	214,822

<b>As at 31 December 2016</b>	<b>ICT</b>	<b>Energy</b>	<b>Agro</b>	<b>Food</b>	<b>Properties</b>	<b>Power</b>	<b>Others</b>	<b>Eliminations</b>	<b>Total</b>
<i>RM'000</i>									
<b>Assets</b>									
Segment assets	71,724	128,284	159,950	21,632	17,235	9,079	62,253	(9,000)	461,157
Investment in Associates	-	-	-	-	-	-	34,069	-	34,069
Deferred Tax Assets	-	-	-	1,405	-	-	-	1,819	3,224
Non-current assets held for sale	-	2,091	-	-	1,443	-	-	-	3,534
<b>Total Assets</b>	<b>71,724</b>	<b>130,375</b>	<b>159,950</b>	<b>23,037</b>	<b>18,678</b>	<b>9,079</b>	<b>96,322</b>	<b>(7,181)</b>	<b>501,984</b>
<b>Liabilities</b>									
Segment Liabilities	22,575	61,405	77,382	14,520	854	11,972	4,726	1,819	195,253

**EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

**13. Group's Financial Performance Review and Segmental Analysis**

The revenue for the current year rose 21% or RM103.5 million to RM599.3 million from RM495.8 million in the previous year. The profit before tax ("PBT") registered an increase of 24% or RM7.7 million.

The segmental performance review as compared to the previous year corresponding period are as follows:

**ICT Sector** : The significant reduction in revenue by 55% or RM38.5 million was mainly due to the absence of high value contracts in the current year. In the previous year, the sector's performance was dependent on two (2) major projects namely the Automatic Fare Collection ("AFC") system contract and MCMC Telecommunication Tower ("TT") project which have now been completed. The drop in revenue however was mitigated by a gain on disposal of office building of RM5.9 million resulting in a marginal reduction for ICT's overall PBT in the current year by 4% .

**Energy Sector** : The surge in the sector's revenue by 26% or RM84.1 million was primarily attributable to the higher average contract price ("CP") of liquefied petroleum gas (LPG). However, stiffer competition particularly in the commercial segment has reduced the overall operating margins for the sector. The PBT however was lifted by the gain on disposal of its property in Prai, Penang amounting to RM3.9 million.

**Agro Sector** : The sector's revenue and PBT rose by 54% or RM21.4 million and 56% or RM3.3 million respectively predominantly as a result of the increase in average crude palm oil ("CPO") prices, the higher crop production arising from the increased estate harvesting area and lower costs of production. The new palm oil mill in Mukah which began operations in July 2017 however registered losses throughout its operational period due to lower fresh fruit bunch ("FFB") processed and lower average oil extraction rates ("OER") recorded.

**Food Sector** : The revenue grew 34% or RM16.0 million mainly due to the opening of seven (7) additional restaurant outlets during the year bringing the total number of A&W restaurant outlets to 36. The encouraging sales from the existing and new outlets combined with the various cost management and supply chain improvement initiatives resulted in a significant uplift in profits by RM1.8 million.

**Property Sector** : The sector's profit in the current year was enhanced by the gain on disposal of two parcel of lands in Perak amounting to RM2.5 million offset by higher administrative expenses.

**Power Sector** : The increase number of projects undertaken during the current year resulted in a rise in revenue by 183% or RM19.4 million and PBT of 194% or RM3.7 million for the sector. Included in the profit was a reversal of over provision of costs of RM3.0 million relating to projects performed in the previous years.

**14. Profit before tax for the current quarter compared to the immediate preceding quarter**

	Individual Quarter		%
	3 months 31/12/2017 RM'000	3 months 30/9/2017 RM'000	
Revenue	183,979	138,049	33.3
<b>Results</b>			
Profit from operations	14,018	1,956	616.7
Finance income	784	754	
Finance costs	(756)	(770)	
Share of profit of associates	2,757	1,536	
<b>Profit before tax</b>	<b>16,803</b>	<b>3,476</b>	383.4
Income tax expense	(2,075)	(2,568)	
<b>Profit for the period</b>	<b>14,728</b>	<b>908</b>	1,522.0

In comparison with the preceding quarter, the increase in revenue was attributable to the improved topline performances in all sectors due to various factors ie. increase in average CP from USD431pmt to USD578pmt, increase contribution from KUB Maju Mill and higher project revenue recognised from the Power sector. The profit before tax was further boosted by gain on disposal of properties of RM6.3 million recognised in the current quarter and reversal of overprovision of costs by the Power sector.

The abnormally high effective tax rate of 74% in the previous quarter was due to losses incurred by the mill and corporate expenses for which no deferred tax assets were recognised. Comparatively, high non-taxable income earnings arising from gain on disposals had lowered down the effective tax rate in the current quarter.

**EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

**15. Prospects**

Notwithstanding the uncertain and volatile operating environment, the Group foresees the Energy and Agro sectors to continue to be the main contributors next year.

The prospects of the Group's business sectors are as follows :

**Energy Sector** : As the primary revenue and earnings driver of the Group, the sector will continue to embark on various initiatives to build its market share while preserving its operational margins which have been impacted by stiff competition. With the aggressive marketing strategies and improvement in supply chain management specifically in the areas of inventory and dealer management, the Group anticipates next year's performance for the Energy sector to be better.

The Group also aims to further expand its distribution capacity and market base by establishing satellite bottling plants and warehouses particularly in the Klang Valley.

**Agro Sector** : Barring unforeseen adverse weather conditions, crude palm oil downward price volatility and labour shortage, the Group expects to achieve higher FFB production and satisfactory overall performance with the contribution from the newly acquired plantation land in Sabah.

**ICT Sector** : The sector will continue to aggressively bid for further sizeable contracts whenever the opportunity arises to enhance our order book and at the same time focus on existing projects relating to supply and delivery of telecommunication equipment and maintenance services for the next three to five years.

The sector is also actively exploring new sources of revenue growth to create more recurring and sustainable income in the future.

**Other sector** performances namely Power, Food and Property are forecasted to be satisfactory particularly with the increasing number of restaurant outlets (Food) and additional gains expected from our Property sector arising from our asset monetisation strategy.

In addition, the Group will further strengthen the various operational improvement and cost management initiatives that have been carried out since previous years.

**16. Profit forecast / profit guarantee**

The Group has neither made any profit forecast nor issued any profit guarantee during the current quarter and financial year to-date.

**17. Notes to the profit before tax**

	Current Quarter		Cumulative Quarter	
	3 months ended		12 months ended	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
	RM'000	RM'000	RM'000	RM'000
Profit before tax is arrived after crediting/(charging):				
Interest income	784	938	2,964	3,094
Other income including investment income	1,348	4,338	3,959	7,200
Interest expense	(756)	(96)	(1,909)	(739)
Depreciation and amortisation	(4,736)	(3,782)	(15,851)	(13,945)
Write-off of property, plant and equipment	-	(1,592)	(229)	(2,948)
Write off of inventories	(8)	(6)	(8)	(6)
Write off of receivables	(305)	(8)	(305)	(8)
Gain on disposal of property, plant and equipment	6,416	31	6,416	31
Gain on disposal of assets held for sale	5,962	1,205	5,962	1,205
(Impairment)/reversal of impairment of assets	(363)	615	(363)	615
Net (impairment)/reversals on receivables	(459)	103	(309)	1,825
Loss on disposal of subsidiaries	-	(4,722)	-	(4,722)
Foreign exchange gain/(loss)	- realised	1,120	3,151	881
	- unrealised	362	293	246
Loss on derivatives	(11)	38	(23)	(7)

Save as disclosed above, other items as required to be disclosed under Appendix 9B, Part A (16) of the Bursa Listing Requirements are not applicable.

**EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF MAIN MARKET LISTING REQUIREMENTS OF BURSA  
MALAYSIA SECURITIES BERHAD**

**18. Tax**

	3 months ended		12 months ended	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
	RM'000	RM'000	RM'000	RM'000
Malaysian income tax:				
Current tax	1,400	3,579	7,928	12,189
Over provision in prior year	(176)	(1,406)	(257)	(1,919)
	<u>1,224</u>	<u>2,173</u>	<u>7,671</u>	<u>10,270</u>
Deferred tax:				
Current	861	(198)	861	(198)
Under/(over) provision in prior year	(10)	12	(10)	12
	<u>851</u>	<u>(186)</u>	<u>851</u>	<u>(186)</u>
	<u>2,075</u>	<u>1,987</u>	<u>8,522</u>	<u>10,084</u>

The effective tax rate for the current financial year under review is lower than the statutory tax rate as certain gain or income are not taxable and the profits of certain subsidiaries cannot be offset against losses of other subsidiaries for income tax purposes.

**19. Group borrowings and debt securities**

RM'000	As at 31 December 2017		
	Long Term	Short Term	Total Borrowings
<b>Secured</b>			
Term loans	49,309	5,178	54,487
Hire purchase payables	616	190	806
Bank overdrafts	-	901	901
	<b>49,925</b>	<b>6,269</b>	<b>56,194</b>

RM'000	As at 31 December 2016		
	Long Term	Short Term	Total Borrowings
<b>Secured</b>			
Term loans	50,695	7,763	58,458
Hire purchase payables	441	263	704
Bank overdrafts	-	425	425
Revolving Credit / Letter of Credit	-	3,500	3,500
	<b>51,136</b>	<b>11,951</b>	<b>63,087</b>

**20. Status of corporate proposals**

As at the date of this report, there were no corporate proposals announced by the Group but have not been completed.

**21. Material litigation**

Transmission Grid Ventures Sdn Bhd v. KUB Power Sdn Bhd  
Shah Alam High Court Summons No. 22NCVC-543-11/2014

On 21st November 2014, Transmission Grid Ventures Sdn Bhd ("TGV") filed a Writ of Summons and Statement of Claim in the Shah Alam High Court against KUB Power Sdn Bhd ("KUBP") for outstanding due for works carried out and completed amounting to RM1,025,844.13. KUBP filed an application for stay of proceedings pursuant to an arbitration clause in the Letter of Award dated 3rd November 2005 ("Letter of Award") between the parties. The High Court had on 28th May 2015 granted a stay of proceedings for the matter to be referred to arbitration.

On 15th February 2016, TGV issued Notice of Arbitration to KUBP. On 20th April 2016, KUBP gave confirmation to Kuala Lumpur Regional Centre for Arbitration ("KLRC") to adopt KLRC Arbitration Rules as the procedural rules in the proceedings. On 17th June 2016, Dato' Mohd Hishamudin Bin Md Yunus has been appointed as the Arbitrator for this matter. Parties had filed all the cause papers in accordance to Arbitrator's instruction and the hearing had commenced on 4th October 2017, 9th October 2017, 8th January 2018 and 9th January 2018. The Arbitrator had then fixed new dates for a continued hearing on 30th April 2018, 7th May 2018, 8th May 2018 and 9th May 2018.

The relevant provision relating to the above has been reflected in the financial statements.

**EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

**22. Dividends**

No dividend has been declared for the quarter under review.

**23. Realised and Unrealised Profit / (Losses)**

The breakdown of the Group's retained earnings / (loss) as at reporting dates, into realised and unrealised is as follows:

	As at 31/12/2017 RM'000	As at 31/12/2016 RM'000
Total accumulated loss of the Company and its subsidiaries		
- Realised	(463,273)	(516,876)
- Unrealised	<u>(10,008)</u>	<u>(10,331)</u>
	<u>(473,281)</u>	<u>(527,207)</u>
Total share of retained earnings / (loss) from associated companies		
- Realised	40,319	32,772
- Unrealised	<u>(7,550)</u>	<u>(7,702)</u>
	<u>32,769</u>	<u>25,070</u>
Group consolidation adjustments	486,825	521,830
Total Group retained earnings as per consolidated financial statements	<u><u>46,313</u></u>	<u><u>19,693</u></u>

**24. Earnings / (loss) per share**

**(a) Basic earnings / (loss) per share**

The basic earnings / (loss) per share is calculated by dividing the profit for the period attributable to ordinary owners of the parent by the weighted average number of ordinary shares in issue during the financial period.

	3 months ended		12 months ended	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
	RM'000	RM'000	RM'000	RM'000
Earnings / (Loss) for the period attributable to owners of the parent				
- From continuing operations	15,025	7,670	32,185	23,134
- From discontinued operations	-	(42)	-	(506)
	<u>15,025</u>	<u>7,628</u>	<u>32,185</u>	<u>22,628</u>
Weighted average number of ordinary shares in issue	('000) 556,465	556,465	556,465	556,465
Basic earnings / (loss) per share				
- From continuing operations	(sen) 2.70	1.38	5.78	4.16
- From discontinued operations	(sen) -	(0.01)	-	(0.09)
	<u>2.70</u>	<u>1.37</u>	<u>5.78</u>	<u>4.07</u>

**(b) Diluted earnings / (loss) per share**

The Group has no dilution in its earnings or loss per ordinary share in the quarter under review and financial year to-date.

## 25. Related Party Transactions

As at the end of the current period under review, the Group has entered into related party transactions :

	12 months ended 31/12/2017 RM'000	12 months ended 31/12/2016 RM'000
<b>a. Transactions with Zul Rafique &amp; Partners, a firm which YM Tunku Alizan Raja Muhammad Alias is a partner</b>		
- Provision of legal services.	160	237
<b>b. Transactions with Putrade Property Management Sdn. Bhd., a company which a previous Director, Datuk Wira Mohd Hafarizam Harun is a common Director</b>		
- Rental of venue and provision of food and beverages.	-	129

By Order of the Board

**Sharina Saidon**  
**Mohd Afendy Md Yazim**  
**Nani Suryani Ahmad Tajudin**

Company Secretaries

27 February 2018